HOUSE BILL No. 1968

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8.

Synopsis: Retiree health insurance under the rule of 85. Provides that a public employee who is a member of the public employees' retirement fund, retires when the employee is at least 55 years old and whose age in years plus years of service is at least 85, and who is not eligible for Medicare may receive group health insurance benefits from a public employer if the employee meets any additional eligibility criteria and pays an amount equal to the amount paid by an active employee for the insurance.

Effective: July 1, 1999.

Kromkowski

 $\label{eq:lambda} \mbox{January 26, 1999, read first time and referred to Committee on Ways and Means.}$



First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1968

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-10-8-2.2 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2.2. (a) As used in this
section, "dependent" means a natural child, stepchild, or adopted child
of a public safety employee who:

- (1) is less than eighteen (18) years of age;
- (2) is eighteen (18) years of age or older and physically or mentally disabled (using disability guidelines established by the Social Security Administration); or
- (3) is at least eighteen (18) and less than twenty-three (23) years of age and is enrolled in and regularly attending a secondary school or is a full-time student at an accredited college or university.
- (b) As used in this section, "public safety employee" means a full-time firefighter, police officer, county police officer, or sheriff.
- (c) This section applies only to local unit public employers and their public safety employees.
 - (d) A local unit public employer may provide programs of group



6

7

8

9

10

11 12

13

14

15

16

17

1999

IN 1968—LS 7183/DI 97+

V

1	insurance for its active and retired public safety employees through
2	either or both of the following methods:
3	(1) By purchasing policies of group insurance.
4	(2) By establishing self-insurance programs.
5	However, the establishment of a self-insurance program is subject to
6	the approval of the unit's fiscal body.
7	(e) Except as provided in subsection (o), a local unit public
8	employer may pay a part of the cost of group insurance for its active
9	and retired public safety employees. However, a local unit public
10	employer that provides group life insurance for its active and retired
11	public safety employees shall pay a part of the cost of that insurance.
12	(f) A local unit public employer may not cancel an insurance
13	contract under this section during the policy term of the contract.
14	(g) After June 30, 1989, a local unit public employer that provides
15	a group health insurance program for its active public safety employees
16	shall also provide a group health insurance program to the following
17	persons:
18	(1) Retired public safety employees.
19	(2) Public safety employees who are receiving disability benefits
20	under IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-8, or IC 36-8-10.
21	(3) Surviving spouses and dependents of public safety employees
22	who die while in active service or after retirement.
23	(h) Except as provided in subsection (o), a retired or disabled
24	public safety employee who is eligible for group health insurance
25	coverage under subsection $(g)(1)$ or $(g)(2)$:
26	(1) may elect to have the person's spouse, dependents, or spouse
27	and dependents covered under the group health insurance
28	program at the time the person retires or becomes disabled;
29	(2) must file a written request for insurance coverage with the
30	employer within ninety (90) days after the person retires or begins
31	receiving disability benefits; and
32	(3) must pay an amount equal to the total of the employer's and
33	the employee's premiums for the group health insurance for an
34	active public safety employee (however, the employer may elect
35	to pay any part of the person's premiums).
36	(i) A surviving spouse or dependent who is eligible for group health
37	insurance under subsection (g)(3):
38	(1) may elect to continue coverage under the group health
39	insurance program after the death of the public safety employee;
40	(2) must file a written request for insurance coverage with the
41	employer within ninety (90) days after the death of the public
42	safety employee; and



1	(3) must pay the amount that the public safety employee would
2	have been required to pay under this section for coverage selected
3	by the surviving spouse or dependent (however, the employer may
4	elect to pay any part of the surviving spouse's or dependents'
5	premiums).
6	(j) A retired or disabled public safety employee's eligibility for
7	group health insurance under this section ends on the earlier of the
8	following:
9	(1) When the public safety employee becomes eligible for
10	Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
11	(2) When the employer terminates the health insurance program
12	for active public safety employees.
13	(k) A surviving spouse's eligibility for group health insurance under
14	this section ends on the earliest of the following:
15	(1) When the surviving spouse becomes eligible for Medicare
16	coverage as prescribed by 42 U.S.C. 1395 et seq.
17	(2) When the unit providing the insurance terminates the health
18	insurance program for active public safety employees.
19	(3) The date of the surviving spouse's remarriage.
20	(4) When health insurance becomes available to the surviving
21	spouse through employment.
22	(l) A dependent's eligibility for group health insurance under this
23	section ends on the earliest of the following:
24	(1) When the dependent becomes eligible for Medicare coverage
25	as prescribed by 42 U.S.C. 1395 et seq.
26	(2) When the unit providing the insurance terminates the health
27	insurance program for active public safety employees.
28	(3) When the dependent no longer meets the criteria set forth in
29	subsection (a).
30	(4) When health insurance becomes available to the dependent
31	through employment.
32	(m) A public safety employee who is on leave without pay is entitled
33	to participate for ninety (90) days in any group health insurance
34	program maintained by the local unit public employer for active public
35	safety employees if the public safety employee pays an amount equal
36	to the total of the employer's and the employee's premiums for the
37	insurance. However, the employer may pay all or part of the employer's
38	premium for the insurance.
39	(n) A local unit public employer may provide group health
40	insurance for retired public safety employees or their spouses not
41	covered by subsections (g) through (l), and may provide group health

insurance that contains provisions more favorable to retired public



safety employees and their spouses than required by subsections (g)
through (l). A local unit public employer may provide group health
insurance to a public safety employee who is on leave without pay for
a longer period than required by subsection (m), and may continue to
pay all or a part of the employer's premium for the insurance while the
employee is on leave without pay.

- (o) After June 30, 1999, a public safety employee who:
 - (1) is eligible for group health insurance coverage under subsection (g)(1);
 - (2) is a member of the public employees' retirement fund;
 - (3) retired under IC 5-10.2-4-1(b)(3); and
 - (4) is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

may participate in the local unit public employer's group health insurance program if the retired public safety employee pays an amount equal to the amount paid by an active public safety employee for the insurance and files a written request for insurance coverage with the employer within ninety (90) days after the person retires. The local unit public employer shall pay the employer's share of the premium. However, the employer may elect to pay any part of the retired employee's share of the premium.

SECTION 2. IC 5-10-8-2.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2.6. (a) This section applies only to local unit public employers and their employees. This section does not apply to public safety employees, surviving spouses, and dependents covered by section 2.2 of this chapter.

- (b) A public employer may provide programs of group insurance for its employees and retired employees. The public employer may, however, exclude part-time employees and persons who provide services to the unit under contract from any group insurance coverage that the public employer provides to the employer's full-time employees. A public employer may provide programs of group insurance under this section through either or both of the following methods:
 - (1) By purchasing policies of group insurance.
 - (2) By establishing self-insurance programs.
- However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.
- (c) **Except as provided in subsection (f),** a public employer may pay a part of the cost of group insurance, but shall pay a part of the cost of group life insurance for local employees. A public employer may





p

1	pay, as supplemental wages, an amount equal to the deductible portion
2	of group health insurance as long as payment of the supplemental
3	wages will not result in the payment of the total cost of the insurance
4	by the public employer.
5	(d) An insurance contract for local employees under this section
6	may not be canceled by the public employer during the policy term of
7	the contract.
8	(e) After June 30, 1986, a public employer shall provide a group
9	health insurance program under subsection (g) to each retired
10	employee:
11	(1) whose retirement date is:
12	(A) after May 31, 1986, for a retired employee who was a
13	teacher (as defined in IC 20-6.1-1-8) for a school corporation;
14	or
15	(B) after June 30, 1986, for a retired employee not covered by
16	clause (A);
17	(2) who will have reached fifty-five (55) years of age on or before
18	the employee's retirement date but who will not be eligible on that
19	date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
20	seq.;
21	(3) who will have completed twenty (20) years of creditable
22	employment with a public employer on or before the employee's
23	retirement date, ten (10) years of which must have been
24	completed immediately preceding the retirement date; and
25	(4) who will have completed at least fifteen (15) years of
26	participation in the retirement plan of which the employee is a
27	member on or before the employee's retirement date.
28	(f) After June 30, 1999, a retired employee who:
29	(1) is a member of the public employees' retirement fund;
30	(2) retired under IC 5-10.2-4-1(b)(3); and
31	(3) is not eligible for Medicare coverage as prescribed by 42
32	U.S.C. 1395 et seq.;
33	may participate in the public employer's group health insurance
34	program if the retired employee pays an amount equal to the
35	amount paid by an active employee for the insurance and within
36	ninety (90) days after the retired employee's retirement date files
37	a written request with the public employer for insurance coverage.
38	The public employer shall pay the employer's share of the
39	premium. However, the public employer may elect to pay any part
40	of the retired employee's share of the premium.
41	(g) A group health insurance program required by subsection (e) or
42	(f) must be equal in coverage to that offered active employees and,



except as provided in subsection (f), must permit the retired employee to participate if the retired employee pays an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active employee and if the employee, within ninety (90) days after the employee's retirement date files a written request with the employer for insurance coverage. However, the employer may elect to pay any part of the retired employee's premiums.

(g) (h) A retired employee's eligibility to continue insurance under subsection (e) or (f) ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under subsection (e) or (f) may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) Two (2) years after the date of the employee's death.
- (4) The date of the spouse's remarriage.

(h) (i) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-6.1-6-1(c). An employee who is on leave without pay is entitled to participate for ninety (90) days in any group health insurance program maintained by the public employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(i) (j) A public employer may provide group health insurance for retired employees or their spouses not covered by subsections (e) through (g) (h) and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). (h). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h), (i), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

SECTION 3. IC 5-10-8-8 IS AMENDED TO READ AS FOLLOWS



1	[EFFECTIVE JULY 1, 1999]: Sec. 8. (a) This section applies only to
2	the state and its employees who are not covered by a plan established
3	under section 6 of this chapter.
4	(b) After June 30, 1986, the state shall provide a group health
5	insurance plan to each retired employee:
6	(1) whose retirement date is:
7	(A) after June 29, 1986, for a retired employee who was a
8	member of the field examiners' retirement fund;
9	(B) after May 31, 1986, for a retired employee who was a
10	member of the Indiana state teachers' retirement fund; or
11	(C) after June 30, 1986, for a retired employee not covered by
12	clause (A) or (B);
13	(2) who will have reached fifty-five (55) years of age on or before
14	the employee's retirement date but who will not be eligible on that
15	date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
16	seq.;
17	(3) who will have completed twenty (20) years of creditable
18	employment with a public employer on or before the employee's
19	retirement date, ten (10) years of which shall have been
20	completed immediately preceding the retirement; and
21	(4) who will have completed at least fifteen (15) years of
22	participation in the retirement plan of which the employee is a
23	member on or before the employee's retirement date.
24	(c) The state shall provide a group health insurance program to each
25	retired employee:
26	(1) who is a retired judge;
27	(2) whose retirement date is after June 30, 1990;
28	(3) who is at least sixty-two (62) years of age;
29	(4) who is not eligible for Medicare coverage as prescribed by 42
30	U.S.C. 1395 et seq.; and
31	(5) who has at least eight (8) years of service credit as a
32	participant in the Indiana judges' retirement fund, with at least
33	eight (8) years of that service credit completed immediately
34	preceding the judge's retirement.
35	(d) The state shall provide a group health insurance program to each
36	retired employee:
37	(1) who is a retired participant under the prosecuting attorneys
38	retirement fund;
39	(2) whose retirement date is after January 1, 1990;
40	(3) who is at least sixty-two (62) years of age;
41	(4) who is not eligible for Medicare coverage as prescribed by 42
42	U.S.C. 1395 et seq.; and



1	(5) who has at least ten (10) years of service credit as a participant		
2	in the prosecuting attorneys retirement fund, with at least ten (10)		
3	years of that service credit completed immediately preceding the		
4	participant's retirement.		
5	(e) The state shall make available a group health insurance program		
6	to each former member of the general assembly or surviving spouse of		
7	each former member, if the former member:		
8	(1) is no longer a member of the general assembly;		
9	(2) is not eligible for Medicare coverage as prescribed by 42		
10	U.S.C. 1395 et seq. or, in the case of a surviving spouse, the		
11	surviving spouse is not eligible for Medicare coverage as		
12	prescribed by 42 U.S.C. 1395, et. seq.; and		
13	(3) has at least ten (10) years of service credit as a member in the		
14	general assembly, with at least eight (8) years of that service		
15	credit completed immediately preceding the member's retirement		
16	or death.		
17	A former member or surviving spouse of a former member who obtains		
18	insurance under this section is responsible for paying both the		
19	employer and the employee share of the cost of the coverage.		
20	(f) After June 30, 1999, a retired employee who:		
21	(1) is a member of the public employees' retirement fund;		
22	(2) retired under IC 5-10.2-4-1(b)(3); and		
23	(3) is not eligible for Medicare coverage as prescribed by 42		
24	U.S.C. 1395 et seq.;		
25	may participate in the group health insurance program if the		
26	retired employee pays an amount equal to the amount paid by an		
27	active employee for the insurance and within ninety (90) days after		
28	the retired employee's retirement date files a written request with		
29	the employer for insurance coverage. The state shall pay the		
30	employer's share of the premium. However, the state may elect to		
31	pay any part of the retired employee's share of the premium.		
32	(g) The group health insurance program required under subsections		
33	(b) through (e) (f) must be equal to that offered active employees.		
34	Except as provided in subsection (f), the retired employee may		
35	participate in the group health insurance program if the retired		
36	employee pays an amount equal to the employer's and the employee's		
37	premium for the group health insurance for an active employee and if		
38	the retired employee within ninety (90) days after the employee's		
39	retirement date files a written request for insurance coverage with the		
40	employer. However, the employer may elect to pay any part of the		
41	retired employee's premium.		
42	(g) (h) A retired employee's eligibility to continue insurance under		



this section ends when the employee becomes eligible for Medicare
coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
employer terminates the health insurance program. A retired employee
who is eligible for insurance coverage under this section may elect to
have the employee's spouse covered under the health insurance
program at the time the employee retires. If a retired employee's spouse
pays the amount the retired employee would have been required to pay
for coverage selected by the spouse, the spouse's subsequent eligibility
to continue insurance under this section is not affected by the death of
the retired employee. The surviving spouse's eligibility ends on the
earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) Two (2) years after the date of the employee's death.
- (4) The date of the spouse's remarriage.
- (h) (i) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-6.1-6-1(c). An employee who is on leave without pay is entitled to participate for ninety (90) days in any health insurance program maintained by the employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance.
- (i) (j) An employer may provide group health insurance for retired employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h). (i).
- SECTION 4. IC 5-10-8-8.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8.1. (a) This section applies only to the state and former legislators, instead of section 8 of this chapter.
- (b) As used in this section, "legislator" means a member of the general assembly.
- (c) After June 30, 1988, the state shall provide to each retired legislator:
 - (1) whose retirement date is after June 30, 1988;
 - (2) who will have reached fifty-five (55) years of age on or before the legislator's retirement date but who is not participating in a group health insurance coverage plan:
 - (A) including Medicare coverage as prescribed by 42 U.S.C.



p

1	1395 et seq.; but	
2	(B) not including a group health insurance plan provided by	
3	the state;	
4	(3) who served as a legislator for at least:	
5	(A) fifteen (15) years; and	
6	(B) ten (10) years immediately preceding the legislator's	
7	retirement date; and	
8	(4) who participated in a group health insurance plan provided by	
9	the state on the legislator's retirement date;	
.0	a group health insurance program that is equal to that offered active	
.1	employees.	
2	(d) After June 30, 1999, a retired legislator who:	
.3	(1) is a member of the public employees' retirement fund;	
4	(2) retired under IC 5-10.2-4-1(b)(3); and	
.5	(3) is not eligible for Medicare coverage as prescribed by 42	
.6	U.S.C. 1395 et seq.;	
.7	may participate in a group health insurance program that is equal	
.8	to that offered active employees if the retired legislator pays an	
9	amount equal to the amount paid by an active employee for the	
20	insurance and within ninety (90) days after the legislator's	
21	retirement date files a written request with the employer for	
22	insurance coverage. The state shall pay the employer's share of the	
23	premium. However, the state may elect to pay any part of the	
24	retired legislator's share of the premium.	
25	(e) A retired legislator who qualifies under subsection (c) may	
26	participate in the group health insurance program if the retired	
27	legislator:	
28	(1) pays an amount equal to the employer's and employee's	
29	premium for the group health insurance for an active employee;	
80	and	
31	(2) within ninety (90) days after the legislator's retirement date	
32	files a written request for insurance coverage with the employer.	
33	(e) (f) A retired legislator's eligibility to continue insurance under	
34	this section ends when the member becomes eligible for Medicare	
35	coverage as prescribed by 42 U.S.C. 1395 et seq., or when the	
86	employer terminates the health insurance program.	
37	(f) (g) A retired legislator who is eligible for insurance coverage	
88	under this section may elect to have the legislator's spouse covered	
89	under the health insurance program at the time the legislator retires. If	
10	a retired legislator's spouse pays the amount the retired legislator would	
1	have been required to pay for coverage selected by the spouse, the	
12	spouse's subsequent eligibility to continue insurance under this section	



1	is not affected by the death of the retired legislator and is not affected	
2	by the retired legislator's eligibility for Medicare. The spouse's	
3	eligibility ends on the earliest of the following:	
4	(1) When the spouse becomes eligible for Medicare coverage as	
5	prescribed by 42 U.S.C. 1395 et seq.	
6	(2) When the employer terminates the health insurance program.	
7	(3) The date of the spouse's remarriage.	
8	(g) (h) The surviving spouse of a legislator who dies or has died in	
9	office may elect to participate in the group health insurance program	
10	if all of the following apply:	
11	(1) The deceased legislator would have been eligible to	
12	participate in the group health insurance program under this	
13	section had the legislator retired on the day of the legislator's	
14	death.	
15	(2) The surviving spouse files a written request for insurance	
16	coverage with the employer.	
17	(3) The surviving spouse pays an amount equal to the employer's	
18	and employee's premium for the group health insurance for an	
19	active employee.	
20	(h) (i) The eligibility of the surviving spouse of a legislator to	
21	purchase group health insurance under subsection (g) (h) ends on the	
22	earliest of the following:	
23	(1) When the employer terminates the health insurance program.	
24	(2) The date of the spouse's remarriage.	
25	(3) When the spouse becomes eligible for Medicare coverage as	
26	prescribed by 42 U.S.C. 1395 et seq.	_

